

**NICHOLAS COUNTY SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**June 30, 2007**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 3,113,995	\$ 42,477	\$ 3,156,472
Accounts receivable:			
Taxes	57,250	-	57,250
Accounts	-	-	-
Intergovernmental - State	-	-	-
Intergovernmental - Federal	80,482	49,276	129,758
Inventory	-	9,298	9,298
Due from other funds	-	-	-
Prepaid expenses	-	-	-
<b>Total Current Assets</b>	<b>3,251,727</b>	<b>101,051</b>	<b>3,352,778</b>
<b>Noncurrent Assets</b>			
Nondepreciated capital assets:			
Land	56,429	-	56,429
Construction	-	-	-
Depreciated capital assets:			
Buildings and improvements	7,970,328	-	7,970,328
Equipment	2,528,989	113,651	2,642,640
Less: Accumulated depreciation	(5,661,914)	(101,229)	(5,763,143)
<b>Total Noncurrent Assets</b>	<b>4,837,403</b>	<b>12,422</b>	<b>4,849,825</b>
<b>TOTAL ASSETS</b>	<b>\$ 8,145,559</b>	<b>\$ 113,473</b>	<b>\$ 8,259,032</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 96,523	\$ -	\$ 96,523
Accrued Interest Payable	44,494	-	44,494
Deferred Revenues	89,379	-	89,379
Current Portion of Accrued Sick Leave	45,593	-	45,593
Current Portion of Capital Leases and Bonds	336,979	-	336,979
<b>Total Current Liabilities</b>	<b>612,968</b>	<b>-</b>	<b>612,968</b>
<b>Noncurrent Liabilities</b>			
Bonds Payable	3,175,000	-	3,175,000
Capital Leases Payable	450,951	-	450,951
Accrued Sick Leave Payable	65,886	-	65,886
<b>Total Noncurrent Liabilities</b>	<b>3,691,837</b>	<b>-</b>	<b>3,691,837</b>
<b>TOTAL LIABILITIES</b>	<b>4,304,805</b>	<b>-</b>	<b>4,304,805</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	930,902	12,422	943,324
Restricted for:			
Capital projects	395,277	-	395,277
Sick Leave	49,445	-	49,445
Unrestricted	2,465,130	101,051	2,566,181
<b>TOTAL NET ASSETS</b>	<b>3,840,754</b>	<b>113,473</b>	<b>3,954,227</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,145,559</b>	<b>\$ 113,473</b>	<b>\$ 8,259,032</b>

See independent auditor's report and accompanying notes to financial statements.

NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$ 5,192,059	\$ -	\$ 1,176,460	\$ -	\$ (4,015,599)	\$ -
Support Services:						
Student	284,984	-	-	-	(284,984)	-
Instructional staff	312,036	-	-	-	(312,036)	-
District administration	500,501	-	-	-	(500,501)	-
School administration	474,017	-	-	-	(474,017)	-
Business	129,024	-	-	-	(129,024)	-
Facility operations and maintenance	638,541	-	-	-	(638,541)	-
Student transportation	570,734	-	-	-	(570,734)	-
Community services	130,543	-	-	-	(130,543)	-
Facility acquisition and construction	-	-	-	-	-	-
Other	-	-	-	-	-	-
Interest on long-term debt	171,738	-	98,581	-	(73,157)	-
Depreciation - unallocated	437,818	-	-	-	(437,818)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>8,841,995</b>	<b>-</b>	<b>1,275,041</b>	<b>-</b>	<b>(7,566,954)</b>	<b>-</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Food Services	636,479	192,432	400,256	-	-	(43,791)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>636,479</b>	<b>192,432</b>	<b>400,256</b>	<b>-</b>	<b>-</b>	<b>(43,791)</b>
<b>TOTAL SCHOOL DISTRICT</b>	<b>\$ 9,478,474</b>	<b>\$ 192,432</b>	<b>\$ 1,675,297</b>	<b>\$ -</b>	<b>\$ (7,566,954)</b>	<b>\$ (7,610,745)</b>
<b>General Revenues</b>						
Property Taxes					756,470	-
Motor Vehicle Taxes					225,752	-
Utility Taxes					317,816	-
Other Taxes					1,629	-
State aid-formula grants					5,076,239	-
Investment earnings					230,272	3,854
State on-behalf payments					1,355,353	41,609
Miscellaneous					54,081	-
<b>Total General Revenues</b>					<b>8,017,612</b>	<b>45,463</b>
<b>Change in Net Assets</b>					<b>450,658</b>	<b>1,672</b>
Net Assets July 1, 2006					3,390,096	111,801
Net Assets June 30, 2007					<b>\$ 3,840,754</b>	<b>\$ 113,473</b>

See independent auditor's report and accompanying notes to financial statements.

NICHOLAS COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2007

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Fund	Special Revenue Funds	Other Governmental Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,613,662	\$ 62,655	\$ 437,678	\$ 3,113,995
Accounts receivable:				
Taxes	57,250	-	-	57,250
Accounts	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	-	80,482	-	80,482
Prepaid expense	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,670,912</b>	<b>\$ 143,137</b>	<b>\$ 437,678</b>	<b>\$ 3,251,727</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 42,765	\$ 53,758	\$ -	\$ 96,523
Deferred revenues	-	89,379	-	89,379
Current portion accrued sick leave	45,593	-	-	45,593
<b>TOTAL LIABILITIES</b>	<b>88,358</b>	<b>143,137</b>	<b>-</b>	<b>231,495</b>
<b>FUND BALANCES</b>				
Reserved for:				
Capital projects	-	-	182,527	182,527
Sick leave	49,445	-	-	49,445
Other	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund	2,533,109	-	-	2,533,109
Special revenue fund	-	-	-	-
Capital projects funds	-	-	255,044	255,044
Debt service funds	-	-	107	107
<b>TOTAL FUND BALANCES</b>	<b>2,582,554</b>	<b>-</b>	<b>437,678</b>	<b>3,020,232</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,670,912</b>	<b>\$ 143,137</b>	<b>\$ 437,678</b>	<b>\$ 3,251,727</b>

See independent auditor's report and accompanying notes to financial statements.

Revised

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	General Fund	Special Revenue (Grant) Fund	Other Funds	TOTAL Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 628,103	\$ -	\$ 128,367	\$ 756,470
Motor vehicle taxes	225,752			225,752
Utility taxes	317,816			317,816
Other taxes	1,629			1,629
Earnings on investments	228,932	1,025	315	230,272
Other local revenues	15,418	38,663		54,081
State sources	4,760,744	423,354	414,076	5,598,174
Federal sources	-	753,106		753,106
State on-behalf payments	1,355,353			1,355,353
Other				-
<b>TOTAL REVENUES</b>	<b>7,533,747</b>	<b>1,216,148</b>	<b>542,758</b>	<b>9,292,653</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	4,275,927	1,068,120		5,344,047
Support Services:				
Student	279,760	5,224		284,984
Instructional staff	272,679	39,357		312,036
District administration	500,501			500,501
School administration	474,017			474,017
Business	129,024			129,024
Facility operations and maintenance	674,475			674,475
Student transportation	561,309	9,425		570,734
Community services	650	129,893		130,543
Facilities acquisition and construction				
Other - Debt service	78,744		403,282	482,026
<b>TOTAL EXPENDITURES</b>	<b>7,247,086</b>	<b>1,252,019</b>	<b>403,282</b>	<b>8,902,387</b>
<b>Excess of revenues over expenditures</b>	<b>286,661</b>	<b>(35,871)</b>	<b>139,476</b>	<b>390,266</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from issuance of bonds				
Transfers in		35,871	304,473	340,344
Transfers out	(35,871)		(304,473)	(340,344)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(35,871)</b>	<b>35,871</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>250,790</b>	<b>-</b>	<b>139,476</b>	<b>390,266</b>
FUND BALANCE JULY 1, 2006	2,331,764	-	298,202	2,629,966
FUND BALANCE, JUNE 30, 2007	<u>\$ 2,582,554</u>	<u>\$ -</u>	<u>\$ 437,678</u>	<u>\$ 3,020,232</u>

See independent auditor's report and accompanying notes to financial statements.

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007**

**GENERAL FUND**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Property taxes	\$ 508,000	\$ 508,000	\$ 556,762	\$ 48,762
PSC property taxes	65,000	65,000	71,341	6,341
Motor vehicle taxes	190,000	190,000	225,752	35,752
Utility taxes	250,000	250,000	317,816	67,816
Penalties & interest on taxes	-	-	1,629	1,629
Earnings on investments	95,000	95,000	228,932	133,932
Other local revenues	12,500	12,500	15,418	2,918
State sources	4,750,556	4,750,556	4,760,744	10,188
State on-behalf payments	-	-	1,355,353	1,355,353
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>5,871,056</b>	<b>5,871,056</b>	<b>7,533,747</b>	<b>1,662,691</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	4,673,571	4,673,571	4,275,927	397,644
Support Services:				
Student	218,039	218,039	279,760	(61,721)
Instructional staff	245,916	245,916	272,679	(26,763)
District administration	648,326	648,326	500,501	147,825
School administration	388,808	388,808	474,017	(85,209)
Business	491,696	491,696	129,024	362,672
Facility operations and maintenance	785,362	785,362	674,475	110,887
Student transportation	604,353	604,353	561,309	43,044
Community Services	-	-	650	(650)
Debt service	77,304	77,304	78,744	(1,440)
Facilities acquisition and construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>8,133,375</b>	<b>8,133,375</b>	<b>7,247,086</b>	<b>886,289</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,262,319)</b>	<b>(2,262,319)</b>	<b>286,661</b>	<b>2,548,980</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers (out)	(20,000)	(20,000)	(35,871)	(15,871)
<b>OTHER FINANCING SOURCES (USES)</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(35,871)</b>	<b>(15,871)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,282,319)</b>	<b>(2,282,319)</b>	<b>250,790</b>	<b>2,533,109</b>
FUND BALANCE UNRESERVED JULY 1, 2006	2,282,319	2,282,319	2,282,319	-
FUND BALANCE UNRESERVED June 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,533,109</u>	<u>\$ 2,533,109</u>

**Note: On-behalf payments are recorded in this statement but they are not budgeted.**

See independent auditor's report and accompanying notes to financial statements.

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007**

**SPECIAL REVENUE FUND**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Earnings on investments	\$ -	\$ -	\$ 1,025	\$ 1,025
Other local revenues	-	-	38,663	38,663
State sources	699,958	349,979	423,354	73,375
Federal sources	1,544,315	783,450	753,106	(30,344)
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<b>2,244,273</b>	<b>1,133,429</b>	<b>1,216,148</b>	<b>82,719</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,973,518	991,122	1,068,120	(76,998)
Support Services:				
Student	16,686	8,343	5,224	3,119
Instructional staff	64,059	45,559	39,357	6,202
District administration	-	-	-	-
School administration	-	-	-	-
Facility operations and maintenance	-	-	-	-
Student transportation	33,210	16,605	9,425	7,180
Community services	196,800	91,800	129,893	(38,093)
Facilities acquisition and construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,284,273</b>	<b>1,153,429</b>	<b>1,252,019</b>	<b>(98,590)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(40,000)</b>	<b>(20,000)</b>	<b>(35,871)</b>	<b>(15,871)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	40,000	20,000	35,871	15,871
Transfers (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>40,000</b>	<b>20,000</b>	<b>35,871</b>	<b>15,871</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE JULY 1, 2006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE June 30, 2007</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report and accompanying notes to financial statements.

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2007**

	Food Service Fund	TOTAL Proprietary Funds
<b>ASSETS AND RESOURCES</b>		
Current assets:		
Cash and cash equivalents	\$ 42,477	\$ 42,477
Accounts receivable:		
Accounts	-	-
Intergovernmental - Federal	49,276	49,276
Inventories for consumption	9,298	9,298
<b>Total current assets</b>	<u>101,051</u>	<u>101,051</u>
Noncurrent assets:		
Furniture and equipment	113,651	113,651
Less accumulated depreciation	(101,229)	(101,229)
<b>Total noncurrent assets</b>	<u>12,422</u>	<u>12,422</u>
<b>TOTAL ASSETS</b>	<u>\$ 113,473</u>	<u>\$ 113,473</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ -	\$ -
Other Current Liabilities	-	-
<b>TOTAL CURRENT LIABILITIES</b>	-	-
<b>NET ASSETS:</b>		
Invested in capital assets	12,422	12,422
Unrestricted	101,051	101,051
<b>TOTAL NET ASSETS</b>	<u>113,473</u>	<u>113,473</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 113,473</u>	<u>\$ 113,473</u>

See independent auditor's report and accompanying notes to financial statements.

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Food Service Fund	TOTAL Proprietary Funds
<b>OPERATING REVENUES</b>		
Lunchroom sales	\$ 192,432	\$ 192,432
Other operating revenues	-	-
<b>TOTAL OPERATING REVENUES</b>	192,432	192,432
<b>OPERATING EXPENSES</b>		
Salaries and wages	283,663	283,663
Contract services	2,309	2,309
Materials and supplies	344,672	344,672
Depreciation expense	5,668	5,668
Other operating expenses	167	167
<b>TOTAL OPERATING EXPENSES</b>	636,479	636,479
<b>OPERATING INCOME (LOSS)</b>	<b>(444,047)</b>	<b>(444,047)</b>
<b>NON-OPERATING REVENUES</b>		
Earnings on Investments	3,854	3,854
Commodities Received	31,809	31,809
Federal Grants	368,447	368,447
State Grants	-	-
State On-behalf Payments	41,609	41,609
<b>TOTAL NON-OPERATING REVENUES</b>	445,719	445,719
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	1,672	1,672
<b>CAPITAL CONTRIBUTIONS</b>	-	-
<b>NET INCOME (LOSS)</b>	<b>1,672</b>	<b>1,672</b>
TOTAL NET ASSETS-JULY 1, 2006	111,801	111,801
<b>TOTAL NET ASSETS-JUNE 30, 2007</b>	<b>\$ 113,473</b>	<b>\$ 113,473</b>

See independent auditor's report and accompanying notes to financial statements.



**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Food Service Fund	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from:		
Lunchroom sales	\$ 192,432	\$ 192,432
Government grants	366,912	366,912
Other activities	-	-
Cash payments to employees for services	(242,054)	(242,054)
Cash payments for contract services	(2,309)	(2,309)
Cash payments to suppliers for goods and services	(312,968)	(312,968)
Cash payments for other operating expenses	(167)	(167)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,846	1,846
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions	-	-
Acquisition of capital assets	-	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	3,854	3,854
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 5,700</b>	<b>\$ 5,700</b>
CASH AND CASH EQUIVALENTS JULY 1, 2006	36,777	36,777
<b>CASH AND CASH EQUIVALENTS JUNE 30, 2007</b>	<b>\$ 42,477</b>	<b>\$ 42,477</b>
<b>Reconciliation of operating income to net cash used for operating activities</b>		
Operating Income	\$ (444,047)	\$ (444,047)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	5,668	5,668
Federal and State Grants	400,256	400,256
State On-behalf Payments	41,609	41,609
Changes in assets and liabilities:		
Receivables	(1,535)	(1,535)
Inventories	-	-
Accounts Payable	(105)	(105)
Net cash provided by operating activities	\$ 1,846	\$ 1,846
<b>Schedule of non-cash transactions</b>		
Donated commodities received from federal government.	\$ 31,809	\$ 31,809
On-behalf payments from state government	\$ 41,609	\$ 41,609

See independent auditor's report and accompanying notes to financial statements.

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2007**

	Agency Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 80,536
Accounts receivable	<u>-</u>
<b>TOTAL ASSETS</b>	80,536
<b>LIABILITIES</b>	
Accounts payable	-
Due to student groups	80,536
<b>TOTAL LIABILITIES</b>	<u>80,536</u>
<b>NET ASSETS</b>	
Held in trust for scholarships	
Held in trust for other purposes	<u>-</u>
<b>TOTAL NET ASSETS</b>	-
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 80,536</u></u>

See independent auditor's report and accompanying notes to financial statements.

**NICHOLAS COUNTY SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED**

Year Ended June 30, 2007

**NOTE D - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2007 was as follows:

Governmental Activities	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Land	\$ 56,429	\$ -	\$ -	\$ 56,429
Buildings and improvements	7,945,257	25,071	-	7,970,328
Technology equipment	592,274	174,719	4,006	762,987
Vehicles	1,338,952	215,258	155,893	1,398,317
Other equipment	331,704	35,981	-	367,685
Construction in progress	-	-	-	-
Totals at historical cost	10,264,616	451,029	159,899	10,555,746
Less accumulated depreciation:				
Buildings and improvements	3,762,030	252,447	-	4,014,477
Technology equipment	417,749	83,479	3,866	497,362
Vehicles	1,016,296	76,821	155,893	937,224
Other equipment	187,780	25,071	-	212,851
Total accumulated depreciation	5,383,855	437,818	159,759	5,661,914
<b>Governmental Activities Capital Assets - Net</b>	<b>\$ 4,880,761</b>	<b>\$ 13,211</b>	<b>\$ 140</b>	<b>\$ 4,893,832</b>
<b>Business-Type Activities</b>				
Food service general equipment	\$ 92,277	\$ -	\$ -	\$ 92,277
Food service technology equipment	21,374	-	-	21,374
Totals at historical cost	113,651	-	-	113,651
Less accumulated depreciation:				
Food service general equipment	83,633	1,393	-	85,026
Food service technology equipment	11,928	4,275	-	16,203
Total accumulated depreciation	95,561	5,668	-	101,229
<b>Business-Type Activities Capital Assets - Net</b>	<b>\$ 18,090</b>	<b>\$ (5,668)</b>	<b>\$ -</b>	<b>\$ 12,422</b>

Depreciation expense is not allocated to governmental functions in the fund financial statements.  
Depreciation is recorded in the statement of activities as "unallocated" expense.

**NICHOLAS COUNTY SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED**

Year Ended June 30, 2007

**NOTE E: BONDED DEBT AND LEASE OBLIGATIONS - CONTINUED**

Assuming no issues are called prior to scheduled maturity, the minimum obligations of the funds at June 30, 2007, for debt service, (principal and interest) are as shown below:

	<b>SCHOOL DISTRICT</b>		<b>KSFCC</b>		<b>TOTAL</b>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008	\$ 196,171	\$ 108,860	58,829	39,753	\$ 403,613
2009	203,699	101,091	61,301	37,281	403,372
2010	211,124	93,026	63,876	34,706	402,732
2011	218,437	84,860	66,563	32,019	401,879
2012	180,635	79,581	69,365	29,217	358,798
2013	192,651	71,994	72,349	26,232	363,226
2014	199,337	63,324	75,663	22,919	361,243
2015	205,836	54,255	79,164	19,418	358,673
2016	217,103	44,683	82,897	15,685	360,368
2017	230,870	34,480	84,130	11,737	361,217
2018	244,550	23,513	80,450	7,836	356,349
2019	250,464	11,896	84,536	4,015	350,911
TOTALS	<u>\$ 2,550,877</u>	<u>\$ 771,563</u>	<u>\$ 879,123</u>	<u>\$ 280,818</u>	<u>\$ 4,482,381</u>

**NOTE F: CAPITAL LEASE PAYABLE**

The District has leased buses with a book value \$623,151 under a capital lease through KISTA school bus financing program. The following is a schedule of years of the future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments as of June 30, 2007:

<u>Year Ending</u>	<u>Capital Lease Payable</u>
June 2008	81,979
June 2009	78,376
June 2010	75,993
June 2011	69,052
June 2012	62,217
June 2013-2017	165,313
Total minimum lease payments	\$ 532,930
Less amount representing interest	(80,454)
Present Value of Net Minimum Lease Payments	<u>\$ 452,476</u>

**NICHOLAS COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007**

	Capital Outlay Fund	Building Fund	Construction Fund	Debt Service Fund	Total Nonmajor Govt Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 212,750	\$ 224,821	\$ -	\$ 107	\$ 437,678
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 212,750</b>	<b>\$ 224,821</b>	<b>\$ -</b>	<b>\$ 107</b>	<b>\$ 437,678</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved	-	182,527	-	107	182,634
Unreserved:					
Designated	212,750	42,294	-	-	255,044
Undesignated	-	-	-	-	-
<b>Total Fund Balances</b>	<b>212,750</b>	<b>224,821</b>	<b>-</b>	<b>107</b>	<b>437,678</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 212,750</b>	<b>\$ 224,821</b>	<b>\$ -</b>	<b>\$ 107</b>	<b>\$ 437,678</b>

**NICHOLAS COUNTY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2007**

	Capital Outlay Fund	Building Fund	Construction Fund	Debt Service Fund	Total Nonmajor Govt Funds
<b>Revenues</b>					
From local sources					
Property taxes	\$ -	\$ 128,367	\$ -	\$ -	\$ 128,367
Earnings on investments	-	-	-	315	315
State sources	106,060	209,435	-	98,581	414,076
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>106,060</b>	<b>337,802</b>	<b>-</b>	<b>98,896</b>	<b>542,758</b>
<b>Expenditures</b>					
Instruction	-	-	-	-	-
Support services					
Instructional staff	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Other - Debt service	-	-	-	403,282	403,282
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403,282</b>	<b>403,282</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>106,060</b>	<b>337,802</b>	<b>-</b>	<b>(304,386)</b>	<b>139,476</b>
<b>Other Financing Sources (Uses)</b>					
Bond proceeds	-	-	-	-	-
Operating transfers in	-	-	-	304,473	304,473
Operating transfers (out)		(304,473)	-	-	(304,473)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(304,473)</b>	<b>-</b>	<b>304,473</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>106,060</b>	<b>33,329</b>	<b>-</b>	<b>87</b>	<b>139,476</b>
Fund Balance, July 1, 2006	106,690	191,492	-	20	298,202
<b>Fund Balance, June 30, 2007</b>	<b>\$ 212,750</b>	<b>\$ 224,821</b>	<b>\$ -</b>	<b>\$ 107</b>	<b>\$ 437,678</b>

NICHOLAS COUNTY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 FIDUCIARY FUND TYPE - ACTIVITY FUNDS  
 YEAR ENDED JUNE 30, 2007

	REVENUE	EXPENDITURES	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	DEPOSITS HELD IN CUSTODY FOR STUDENTS	
				JUNE 30, 2006	JUNE 30, 2007
High School	\$ 209,591	\$ 194,093	\$ 15,498	\$ 38,722	\$ 54,220
Elementary	140,860	149,880	(9,020)	35,336	26,316
TOTALS - ACTIVITY FUNDS	\$ 350,451	\$ 343,973	\$ 6,478	\$ 74,058	\$ 80,536

**NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCES  
HIGH SCHOOL ACTIVITY FUND  
FOR THE YEAR ENDED JUNE 30, 2007**

	CASH BALANCES JULY 1, 2006	RECEIPTS	DISBURSE- MENTS	TRANSFERS	CASH BALANCES JUNE 30, 2007	ACCOUNTS RECEIVABLE (PAYABLE) JUNE 30, 2007	DEPOSITS HELD IN CUSTODY FOR STUDENTS JUNE 30, 2007
General	\$ 11,450	\$ 21,602	\$ 24,932	\$ (4,743)	\$ 3,377	\$ -	\$ 3,377
Testing Incentives	-	1,232	3,788	5,187	2,631	-	2,631
Faculty Attendance	-	353	191	-	162	-	162
Project Prom	532	2,000	1,341	-	1,191	-	1,191
Project Graduation	3,632	11,460	11,758	-	3,334	-	3,334
Chess Club	62	-	-	-	62	-	62
KYAKUNA	187	8,157	8,288	-	36	-	36
Science Lab/Chemistry	-	475	-	-	475	-	475
Class of 2009	127	60	-	-	187	-	187
Class of 2008	956	6,767	5,747	-	1,976	-	1,976
Class of 2007	1,210	2,707	3,142	-	775	-	775
Senior Trip	539	28,178	28,569	1,041	1,189	-	1,189
Class of 2005	290	-	-	(290)	-	-	-
Class of 2006	127	-	40	(87)	-	-	-
FFA	2,765	25,118	24,031	(1,210)	2,642	-	2,642
Vocational Ag	22	-	-	-	22	-	22
FCCLA	171	3,737	3,252	-	656	-	656
Home Economics	693	400	450	-	643	-	643
Industrial Arts	1,185	2,719	3,191	80	793	-	793
Blue Jacket Outlet	1,226	141	532	-	835	-	835
School Newspaper	1,639	195	1,402	(75)	357	-	357
Computer Lab (STLP)	623	-	-	-	623	-	623
Embroidery Shop	154	-	11	-	143	-	143
Library	610	3,082	2,759	-	933	-	933
Pep Club	170	1,001	582	-	589	-	589
Academic Team	39	13	-	-	52	-	52
Yearbook	5,982	10,135	12,019	(43)	4,055	-	4,055
Ecology Club	33	-	-	-	33	-	33
Student Council	500	1,569	1,042	(225)	802	-	802
Art Club	69	140	-	-	209	-	209
Cent. Ky Science Fair	78	215	-	-	293	-	293
CBI Special Ed.	65	-	-	-	65	-	65
Scrapbooking Club	62	-	-	-	62	-	62
FBLA	140	2,288	2,309	200	319	-	319
Travel	-	270	-	-	270	-	270
Class of 2010	-	310	150	-	160	-	160
Athletic Fund	3,404	68,588	54,567	(4,835)	12,590	-	12,590
Athletic Uniforms	-	-	-	5,000	5,000	-	5,000
Training Facilities	-	6,679	-	-	6,679	-	6,679
<b>TOTALS</b>	<b>\$ 38,722</b>	<b>\$ 209,591</b>	<b>\$ 194,093</b>	<b>\$ -</b>	<b>\$ 54,220</b>	<b>\$ -</b>	<b>\$ 54,220</b>



NICHOLAS COUNTY SCHOOL DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCES  
ELEMENTARY SCHOOL ACTIVITY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	CASH BALANCES JULY 1, 2006	RECEIPTS	DISBURSE- MENTS	TRANSFERS	CASH BALANCES JUNE 30, 2007	ACCOUNTS RECEIVABLE (PAYABLE) JUNE 30, 2007	DEPOSITS HELD IN CUSTODY FOR STUDENTS JUNE 30, 2007
General	\$ 3,293	\$ 12,441	\$ 14,412		\$ 1,322	\$ -	\$ 1,322
Student Fund	14,417	74,600	62,684	(10,673)	15,660	-	15,660
Athletic	-	11,602	13,702	2,100	-	-	-
Writing	100				100	-	100
Art Club	234		229		5	-	5
Science Lab Fees	-	2,085	2,336	251	-	-	-
Honor Society	377	16,142	16,274		245	-	245
Gate	995	4,960	11,243	5,300	12	-	12
DARE	272	570	52		790	-	790
Transportation	4,116	4,746	8,862		-	-	-
Kindergarten	400	428	735		93	-	93
Guidance Counselor	60	60	76		44	-	44
Accelerated Reader	2,992	484	2,442	3,000	4,034	-	4,034
Computer Lab	443				443	-	443
Social Studies Fees	42	64			106	-	106
Academic Team	-	225	247	22	-	-	-
Archery	370		185		185	-	185
Second Grade	100				100	-	100
Library	6,651	11,982	15,826		2,807	-	2,807
Choir	-	471	286		185	-	185
Ky Reading Project	474		289		185	-	185
<b>TOTAL</b>	<b>\$ 35,336</b>	<b>\$ 140,860</b>	<b>\$ 149,880</b>	<b>\$ -</b>	<b>\$ 26,316</b>	<b>\$ -</b>	<b>\$ 26,316</b>

**NICHOLAS COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER/AWARD NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>EXPENDITURES</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through State Department of Agriculture Food Donation	10.550	N/A	\$31,809	\$31,809
Passed Through State Department of Education Child Nutrition Cluster				
National School Breakfast	10.553	7760005-06	33,677	33,677
National School Breakfast	10.553	7760005-07	68,180	68,180
National School Lunch	10.555	7750002-06	79,872	79,872
National School Lunch	10.555	7750002-07	163,883	163,883
National School Lunch	10.555	7750008-07	7,547	7,547
Summer Food Service Program for Children	10.559	7690024-06	1,397	1,397
Summer Food Service Program for Children	10.559	7740023-06	13,421	13,421
Total Child Nutrition Cluster			367,977	367,977
 TOTAL DEPARTMENT OF AGRICULTURE			399,786	399,786
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Passed Through State Department of Education				
Title I Grants to Local Educational Agencies	84.010	3100002-06	243,527	209,393
Title I Grants to Local Educational Agencies	84.010	3100202-06	33,293	21,850
Title I Grants to Local Educational Agencies	84.010	3100002-05	291,659	67,585
Title I Grants to Local Educational Agencies	84.010	3100002-06	27,059	8,601
Migrant Education	84.011	3110002-05	103,750	15,502
Migrant Education	84.011	3110002-06	152,970	104,884
Special Education Cluster				
IDEA B - Special Education	84.027	3810002-06	201,683	201,683
IDEA B - Special Education - Preschool Grant	84.173	3800002-06	11,279	11,279
IDEA B - Special Education - Preschool Grant	84.173	3800002-05	11,443	600
Total Special Education Cluster			224,405	213,562
Safe and Drug-Free Schools and Communities	84.186	3410002-05	8,343	5,122
Safe and Drug-Free Schools and Communities	84.186	3410002-06	8,343	102
Vocational Education	84.048	4620732-06	13,288	13,288
State Grants for Innovative Programs	84.298	3500002-05	4,921	2,966
State Grants for Innovative Programs	84.298	3500002-06	1,839	1,839
Improving Teacher Quality	84.367	3230002-06	87,457	87,457
 TOTAL DEPARTMENT OF EDUCATION			882,136	752,151
Passed Through Workforce Development Cabinet:				
Vocational Education - Little Jackets	84.048	2007	955	955
 TOTAL WORKFORCE DEV CABINET			955	955
 <b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 1,282,877</b>	<b>\$ 1,152,892</b>